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2004 legislative update

Following is an overview of significant pension-related bills passed by the 2004 Washington State Legislature and signed by Governor Gary Locke.

Creation of Public Safety Employees' Retirement System

The Legislature created a new retirement system for public safety employees in specific job classes. Those eligible for membership include:

- City corrections, police support and custody officers; jailers and bailiffs
- County corrections and custody officers, sheriff's corrections officers and jailers
- County probation officers and probation counselors
- State correctional officers, sergeants and community corrections officers
- Liquor enforcement officers
- Park rangers
- Commercial vehicle enforcement officers
- Gambling special agents

The new system takes effect in 2006. Public safety employees enrolled in Public Employees' Retirement System (PERS) Plan 2 or Plan 3 on July 1, 2006 will have the choice of joining the new system or remaining in PERS. Those enrolled in PERS Plan 1 will remain in PERS. All public safety employees hired July 1, 2006 and after will become members of the new system.

Watch our Web site for more information on the Public Safety Employees' Retirement System in the coming months.

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Retirement Outlook is published by the Washington State Department of Retirement Systems. The agency administers the following retirement systems for public employees throughout Washington state:

- Public Employees' Retirement System (PERS)
- Teachers' Retirement System (TRS)
- School Employees' Retirement System (SERS)
- Law Enforcement Officers' and Fire Fighters' Retirement System (LEOFF)
- Washington State Patrol Retirement System (WSPRS)
- Judicial Retirement System (JRS)
- Judges' Retirement Fund

DRS also administers the Deferred Compensation and Dependent Care Assistance Programs.

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Retirement Outlook is available to members in alternate formats. For more information contact the editor at (360) 664-7097.

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Purchase of additional service credit

A member who applies for early retirement in PERS or SERS Plan 2 or Plan 3 may, at the time of retirement, purchase up to five years of additional service credit. The cost of purchasing the credit is actuarially equivalent to the resulting increase in the member's benefit. The bill takes effect July 1, 2006.

Minimum benefit for PERS and TRS Plan 1 retirees

The Legislature established a minimum benefit for PERS Plan 1 and Teachers' Retirement System (TRS) Plan 1 retirees who:

- Have at least 25 years of service credit; and
- Have been retired for at least 20 years; and
- Whose current retirement benefit, including Cost-Of-Living Adjustments (COLAs), is below the minimum.

While \$1,000 is identified in the legislation as the minimum benefit, any adjustments made at the time of retirement, such as a survivor benefit or an annuity withdrawal, will reduce the minimum benefit amount.

Retirees and survivors who qualified for the new benefit as of July 1, 2004 saw a benefit adjustment at the end of July. Any accounts that meet the requirements in subsequent months will begin receiving the new benefit automatically.

LEOFF Plan 2 member benefits

House Bill 2418 applies to members of the Law Enforcement Officers' and Fire Fighters' (LEOFF) Retirement System Plan 2 who leave employment because of a duty-related disability.

Qualifying members may be entitled to additional benefits and/or a portion of their benefits may not be subject to federal income tax. The member must have been disabled in the line of duty on or after January 1, 2001. DRS is in the process of contacting members who may potentially be affected by this legislation.

Under House Bill 2419, the beneficiary of a LEOFF Plan 2 member who is killed in the course of employment, as determined by the Director of the Department of Labor & Industries, would receive benefits without reduction for early retirement. The member must have had at least 10 years of service. ■

Plan ahead for your retirement

DRS offers *free* seminars and workshops to help you plan ahead for your retirement life. A seminar is a day-long session that covers a broad range of topics related to retirement. A workshop covers information specific to your state retirement plan.

- **Seminars** run from 8:00 a.m. to 5:00 p.m. and include presentations by experts in financial planning, estate planning, health insurance and Social Security. A seminar also includes a workshop on your state retirement plan and a presentation on the state's Deferred Compensation Program.
- **Workshops** help explain your DRS-administered state retirement plan. They run 60 to 90 minutes and cover service credits, retirement eligibility, benefit calculations, payment options and other plan-specific information.

Seminar time - 8:00 a.m. to 5:00 p.m. Workshop times - shown below			
	Plan 1	Plan 2	Plan 3
PERS	1:00 p.m. - 2:30 p.m.	11:15 a.m. - 12:45 p.m.	11:15 a.m. - 12:45 p.m.
SERS	---	11:15 a.m. - 12:45 p.m.	11:15 a.m. - 12:45 p.m.
TRS	1:00 p.m. - 2:30 p.m.	11:15 a.m. - 12:45 p.m.	11:15 a.m. - 12:45 p.m.
LEOFF	11:15 a.m. - 12:25 p.m.	12:30 p.m. - 1:30 p.m.	---
WSPRS	1:35 p.m. - 2:35 p.m.	---	---

How to register: First decide if you'll attend a seminar or a workshop, then follow the instructions below to register.

- **Online:** Via the Internet at www.drs.wa.gov and click the *Seminar Schedule* button in the upper right corner below the DRS banner. Follow the instructions on the screen to register.
- **By telephone:** Call 1-888-711-6676 or (360) 664-7300 in the Olympia area. Hearing impaired members may call the TDD line toll-free at 1-866-377-8895 or (360) 586-5450 in the Olympia area.
- **By e-mail, U.S. mail or campus mail:** Send your registration by e-mail to register@drs.wa.gov or by U.S. mail to PO Box 48380, Olympia, WA 98504-8380 or by campus mail to Mailstop 48380. If your spouse or partner will attend with you, include that person's name.

DRS is planning seminars for the following cities in 2005: Bellingham, Bremerton, Colville, Edmonds, Ellensburg, Everett, Kelso, Mount Vernon, Olympia, Pullman, Renton, Richland, Seattle, Spokane, Tacoma, Vancouver, Wenatchee and Yakima. Look for the January - April 2005 schedule in the *October Retirement Outlook*. ■

Seminar and Workshop Locations & Dates September - December 2004

Vancouver	Sat., Sept. 18
Spokane*	Sat., Sept. 25
Richland	Sat., Oct. 16
Port Townsend	Sat., Oct. 23
Renton	Sat., Nov. 6
Bellingham	Sat., Nov. 20
Tacoma	Sat., Dec. 4
Tumwater*	Sat., Dec. 11

NOTE: All locations include workshops for PERS, SERS and TRS members. LEOFF and WSPRS workshops are offered only at the locations shown with an asterisk (*).

Comments from recent seminar participants

"I wish I would have taken this seminar years ago."

"I thought I wouldn't learn much that was new to me. I was wrong – a lot of good information."

"My second seminar – learn more each time."

"My first time attending this kind of seminar. I am glad I am doing this now rather than later."

SCPP studying pension issues

The Select Committee on Pension Policy (SCPP) is actively studying pension issues before the 2005 legislative session begins.

Several issues will be examined, including military service credit, post-retirement employment, adequacy of pension benefits and Plan 2 retirement at age 65. Four active retirement system members hold positions on the committee and play key roles in the study of pension issues.

For more information on the SCPP, contact the Office of the State Actuary at (360) 753-9144 or visit: <http://osa.leg.wa.gov>. ■

DRS receives eighth consecutive clean audit

DRS received a clean audit report, without findings, for the 2003 fiscal year. This is the eighth consecutive year of clean audits for DRS.

In a letter to Director John Charles, State Auditor Brian Sonntag recognized the achievement, praising the agency's "outstanding record" and consistent "commitment to solid accounting practices." ■

Your retirement benefit – a lifetime value

The contributions you and your employer make to your defined benefit account over the years are held in a trust. On occasion, members ask about loans. Because of the nature of state retirement system funds, loans are not available.

DRS' careful stewardship of the funds, including prudent investment by the Washington State Investment Board, ensures the money will be there for the next phase of your life – your retirement.

It's a benefit guaranteed to last a lifetime. ■

Have an article suggestion for *Retirement Outlook*? E-mail the editor at communications@drs.wa.gov.